



General Assembly

Substitute Bill No. 253

February Session, 2010

* ____SB00253INS__031710__ *

**AN ACT CONCERNING NOTICE OF TERMINATION OF INDIVIDUAL
TERM LIFE INSURANCE POLICIES FOR NONPAYMENT OF
PREMIUM.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 38a-441 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2010*):

3 Any insurance company doing the business of life insurance in this
4 state which writes an individual life insurance policy delivered or
5 issued for delivery in this state shall: [provide]

6 (1) Provide notice when such policy is fully paid up. Such notice
7 shall be in writing and shall be sent or delivered by the insurer to the
8 owner of the policy at the last-known address of the owner during the
9 year in which the date such final payment is received by the insurer
10 occurs, or within thirty-one days of such date if later. Each five years
11 thereafter, written notice shall be so sent or delivered to the owner of
12 the policy providing notice of the current status of such policy. The
13 provisions of this [section] subdivision shall not apply to the purchase
14 of a single premium life insurance policy, a universal life insurance
15 policy, or to the purchase of paid-up additions under a participating
16 life insurance policy; and

17 (2) Provide notice of the premium due, prior to terminating or

18 lapsing an individual term life insurance policy for nonpayment of
19 premium. Such notice shall be in writing and shall be mailed or
20 delivered by the insurer to the policy owner at such policy owner's last
21 known address as it appears in the insurer's records, by certificate of
22 mailing or other method that provides evidence that such notice was
23 mailed or delivered not less than ten days preceding the effective date
24 of the termination or lapse of such policy.

25 Sec. 2. Section 38a-456 of the general statutes is repealed and the
26 following is substituted in lieu thereof (*Effective October 1, 2010*):

27 (a) Any individual, partnership, corporation or unincorporated
28 association providing group life insurance coverage for its employees
29 shall furnish each insured employee, upon cancellation or
30 discontinuation of such life insurance, notice of the cancellation or
31 discontinuation of such insurance. The notice shall be mailed or
32 delivered by such individual, partnership, corporation or association
33 to the insured employee, by a method that provides evidence that such
34 notice was mailed or delivered not less than fifteen days [next]
35 preceding the effective date of cancellation or discontinuation. Any
36 individual or any such entity that fails to provide timely notice shall be
37 fined not more than two thousand dollars for each violation. The Labor
38 Commissioner shall have the authority to assess all such fines. This
39 section shall apply to any such individual, partnership, corporation or
40 unincorporated association that substitutes one policy providing such
41 group life insurance coverage for another such policy with no
42 interruption in coverage.

43 (b) If any individual or any such entity fails to furnish notice
44 pursuant to subsection (a) of this section, the individual or entity shall
45 be liable for benefits to the same extent as the insurer would have been
46 liable if coverage had not been cancelled or discontinued.

<p>This act shall take effect as follows and shall amend the following sections:</p>
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Section 1	<i>October 1, 2010</i>	38a-441
Sec. 2	<i>October 1, 2010</i>	38a-456

INS *Joint Favorable Subst.*